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THE IMPACT OF DOWNTOWN CROSSING
ON COMMERCIAL ACTIVITY
IN DOWNTOWN BOSTON

Jane Algmin

Boston Redevelopment Authority
Transportation Planning Department

January, 1980

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While Downtown Crossing, Boston's auto-restricted zone, has been in effect for 16 months now, the design improvements which "made" the project and gave it its identity have been in place for only five months.

Both in physical and psychological terms, Downtown Crossing has dramatically changed the nature of downtown, in that:

- . General auto traffic has been removed from eleven downtown blocks, freeing up valuable street space for deliveries, buses, taxis, entertainers and special events and, most important, pedestrians.
- . Four blocks have been completely resurfaced in brick from building face to building face, and three have had sidewalks and roadway resurfaced.
- . New distinctive lighting fixtures have been installed on seven blocks.
- . Banners defining the area have been hung at four entry points.
- . Christmas lights and decorations have been displayed on the streets for the first two years in history.
- . Six bus routes have been extended into the heart of downtown for the first time.

We have now been through two Christmas seasons. We've established a merchants' advisory group and a project office to handle promotion and liaison with city departments. And, to evaluate the effects of the demonstration project, we have completed two rounds of extensive data collection on downtown shopper and worker behavior, with a third round to come this spring.

Since our first "after" round of surveys took place in the summer of 1979, during construction on the core streets - Summer, Winter and Washington, we have still not obtained quantitative data on the effects of the completed project on shoppers and businesses. But through these surveys, a continuing survey of business turnovers, and a small sample of personal interviews with merchants and shoppers, we have been able to discern several concrete impacts, namely:

- . The volume of pedestrians on Downtown Crossing streets, was up 5% overall on weekdays, weeknights and Saturdays. Weeknights showed the highest rise - 17% from 1978 to 1979. Merchants reported 5-15% increases of customers in their stores.
- . Sales volume was up from 5-10% during the first year, according to most merchants. While some experienced declining volumes during construction, most indicated that business was holding steady. One major store indicated that their downtown store was doing better than their suburban branches for the first time.
- . More people walked into Downtown Crossing and fewer people drove. Walking to Downtown Crossing increased from 48% to 55% of all trips, auto use decreased from 11% to 6.5%.
- . Transit use also increased from 1978 to 1979. For those employed downtown, transit use for the work trip increased by

23%, compared to a 4% systemwide increase for the same period. Transit use to Downtown Crossing for non-employees increased by 27.5%. The bus routes extended into Downtown Crossing all showed increases in ridership ranging from 6% to 100%.

- . Traffic has been rerouted with no appreciable increases in congestion on alternative routes. Impacts on parking facilities have not yet been determined in detail; there has been a redistribution of use of downtown lots and garages based on the new routings.
- . Attitudes of merchants, press and public toward the project have been extremely positive. People like the more attractive appearance of the streets, the increased maintenance and added security. Merchants within Downtown Crossing are more positive than merchants on the fringes, but fringe area merchants in general want the auto-restricted area to be extended.
- . There has been some business turnover within Downtown Crossing and on the fringes, some of which is attributable to the project (Table 1). Eleven new restaurants have opened. One suburban-oriented sporting goods store has chosen a downtown location. And, on the negative side, a Boston landmark, the Old Corner Bookstore, located on Bromfield Street since 1828, closed its doors on Christmas Eve, and Kennedy's, downtown's third remaining department store is also soon to close.

In sum then, these are the major effects of the project on the downtown. These are the effects that planners and officials understand; the effects that tell us that the project appears to be meeting its goals. But our increased contacts with downtown retailers have taught us

that merchants perceive a whole range of effects to which we transportation planners are normally not attuned. One merchant we spoke with told us frankly that retailers perceive that no one in City Hall "speaks their language;" that planners do not understand the dynamics of retailing and business operations.

With this admonition in mind then, we have tried to look at the impacts of Downtown Crossing from the retailers' point of view, and to put the planners' data into a framework which is meaningful to merchants and potential developers. Let us now look at the project's effects in this context, and ask "How has Downtown Crossing changed downtown as a place to run a retail business?"

I. Downtown Crossing has created a new downtown shopping environment

As one retailing professor puts it, "Shopping in the central business districts of major metropolitan areas in the United States has been adversely affected for a number of years by the consumer's fear for his life and his property."¹

— Although Downtown Boston has never deteriorated as much as this statement implies, Downtown Crossing has obviously helped the situation through:

- 1) Removing both unattractive and unsafe auto traffic.
- 2) Increasing lighting on the streets.
- 3) Increasing maintenance; cleaning streets and sidewalks more often and better.

¹Brambeltt, Larry: "Reasons for Retail Center Transitions," in Thoughts on the Revival of Downtown, U.S.A., University of Georgia, Athens, Georgia, 1975, p.8.

- 4) Increasing police presence in the area. This last factor was cited by many merchants as an important, if somewhat indirect, benefit of the project. Police were kept on duty at entry points and throughout the area for the main purpose of traffic control, but as a merchant puts it: "It has kept police here, - the best thing it's done. It has cut down on shoplifting. You never saw a policeman here before. It makes the customers feel safer too."

II. Downtown Crossing has increased the convenience of shopping downtown

Consumer convenience is defined in terms of "all elements which the consumer must encounter in shopping," or "barriers to shopping in a particular place or a particular store."²

Convenience has been improved by Downtown Crossing in the following ways:

- 1) Pedestrian accessibility has been improved, making it easier to walk long distances.
- 2) Vehicular and transit accessibility have also been improved. Since less traffic is circulating on downtown streets, it is easier to find a place to park.

²Ibid, p. 3.

- 3) The stores appear more clustered due to the brick paving and unified design treatment. People perceive the area as a more cohesive shopping area, an easier place to do errands.
- 4) Visibility of the stores has been improved through removal of trucks and expansion of walking space. As one merchant put it: "Before people couldn't see our signs in the windows; it was too crowded with cars. Now, walking in the street, they can see more, relate our store to others they have seen."
- 5) Benches, telephones and other amenities have been provided for shoppers.
- 6) With more activity downtown, it is possible that stores may stay open more evenings; weekday evening visits to the area were up 17% from 1978 to 1979.

III. Downtown Crossing has provided a new merchandising image for downtown

Through provision of a name, a logo, a full-time promotion person, and a merchant advisory group, Downtown Crossing has created a more unified image for the downtown stores. In addition, it has increased organization and cooperation among the merchants for such items as Christmas lights and joint advertising. Over the first year and a half, the concept "Downtown Crossing" is beginning to mean something to the people of Boston; it is showing up in ads and the news media now use it.

In sum, Downtown Crossing has used public improvements to create a shopping area more responsive to the desires of today's consumer, and thus more attractive to the downtown retailer.

We can already see some effects of the project on downtown store mix and marketing; we can predict other possible effects, some good, some bad. These effects can be explained in terms of general principles and trends in retailing:

I. Chains vs. Independents

Downtown Crossing, like other mall downtowns, is proving attractive to those chain operations which are normally found in suburban locations. Several chain clothing stores, drug stores and restaurants have opened in the area since it opened. Chain store managements appear to appreciate the advantages of a mall location more quickly than independents. Many independents, who have been in business a long time in one location, do not perceive a benefit from the new customers attracted by a mall. They are used to providing service for an established client group, rather than competing aggressively for new business like the chains. Part of the reason for this is the fact that they have been paying lower rents than chains in shopping centers.

Chains are also more easily able to accept construction period financial losses and the start-up time necessary before the mall starts attracting its new market. One non-chain merchant perceived that chain store managers have fewer complaints about construction noise and dirt: "They are instructed by their head offices not to make waves with City government; they won't complain."

The appearance of the chain stores, of course, has its good and bad sides. On the one hand, chains have an image. They thus help attract customers into the area. And, because they normally locate in suburbs, they help downtown compete with suburbs. But, on the other hand, chains usually replace independent businessmen, many of whom are distinctive Boston businesses. And, they produce the "canned" effect that makes suburban malls so dull. Chains are also less likely to participate in local marketing efforts and special events: "Our way of marketing is not likely to change; it is dictated by our head office," said one chain manager.

But Downtown Crossing still has many uniquely Boston shops. And we intend to work with our local merchants, to obtain aid for them in financing improvements, to help them in marketing and promotion, to make sure they remain a part of Downtown.

II. Specialty vs. "Scrambled"

Histories of retail development in the United States document the cycle from the general store to more specialized stores to the general department store and back. "Shoppers are mainly attracted to stores with very wide or very deep assortments," one specialist says.³ The sixties saw a great rise in "scrambling," as discount stores and drug stores added more and more product lines. The seventies have seen a return to specialty stores, as department stores close and bazaar-style centers such as Faneuil Hall Marketplace enjoy overwhelming success.

³Ryans, Donnelly, Ivanevich: New Dimensions in Retailing: A Decision Oriented Approach, Wadsworth Publishing Co., California, 1970, pp. 34-35.

Downtown Crossing has certainly been affected by this trend. Gilchrist's department store closed as the project opened and Kennedy's is soon to close, leaving the steadfast Jordan Marsh and Filene's as department store "anchors," and Woolworth's department store doing a booming business to the north.

Gilchrist's was replaced by a bazaar-style market, The Corner, which contains many tiny shops and a food section. It has been difficult to find a large department store to locate in Lafayette Place, a new adjacent downtown retail, hotel and office complex. Our project has actually contributed to the concept of "downtown" as a department store," by reinforcing the principle of "aggregate convenience" - where retail outlets are arranged to facilitate one-stop shopping for a variety of goods - and that of "competitive compatibility," where stores selling the same product or a complementary product are located close enough to attract customers on the same trip. Winter Street, for example, has at least four shoe stores in one short block. This type of center tends to attract similar small shops.

III. The Importance of Foot Traffic

The one effect of Downtown Crossing most mentioned by merchants was the increases it brought about in "foot traffic;" i.e. people on the street who potentially could enter the store. All agreed that foot traffic was up 10-15% since the project opened.

Certain types of businesses are more likely to be interested in high foot traffic. Fast-food type restaurants are particularly sensitive to foot traffic; three have opened in Downtown Crossing since the project began. Similarly, card stores or drug stores try to attract customers who make a quick stop on their way somewhere else. Location of entrances, window displays and interior layout all are manipulated by merchants to capitalize on foot traffic. A new Washington Street bakery has used a shopping center style open-front to increase accessibility to the street. Woolworth's has increased sidewalk sales in front of its store with great success.

The foot traffic situation was bemoaned by fringe area merchants who do not feel part of Downtown Crossing. One Bromfield Street sub shop manager distributes leaflets on Washington Street to attract trade. Saturdays the situation is intensified with the absence of office workers. "Saturday is our dearest day, but the busiest day on Washington Street," complained a Franklin Street merchant, "I wish we'd be in on it more."

To address this problem, we are considering extension of Downtown Crossing to cover more of the retail core.

Upper story merchants also perceive the project as having little effect on their business. Since downtown has a good deal of vacant upper story space, this finding leads to a pessimistic outlook for finding new upper-story retail tenants.

IV. Market Research

Many changes in consumer markets have come about in the seventies, several of which have had downtown impacts. The increased participation of women in the work force has increased downtown's employee market due to its high proportion of service jobs traditionally filled by women. The trend toward downtown living has led to more residential conversions downtown and increase the captive market of downtown residents. And the rising price of gasoline has made downtown, with its public transit focus, a more attractive place to shop. Downtown Crossing has come along at a time when other factors have converged in favor of downtown shopping.

Our evaluation effort for the project has involved collection of valuable market data for downtown which we intend to use in helping our existing merchants gear their merchandising efforts to today's market demands, and in promoting Downtown Crossing to prospective retailers and developers. We can use this data to dispel myths which traditionally characterize the downtown market as somehow less affluent, less tasteful, more lower-class than the suburban center market.

In fact, we have discovered that the Downtown Crossing market profile compares very favorably with that of the Faneuil Hall Marketplace and Boylston/Newbury Street (see Table 1). We have learned some interesting information about Downtown Crossing shoppers namely:

- . Downtown Crossing attracts 77,000 visitors a day between 10 a.m. and 4 p.m.

The lunch period accounts for 48.5% of weekday visits; 63% of downtown office workers make a purchase at lunch; 45% of these are for items other than lunch itself and 41% are over \$5 in value.

- . Downtown Crossing captures from 1/3 to 1/2 of all lunch-time trips made by CBD employees.
- . Average household income of visitors is between \$15-25,000.
- . The average number of monthly visits for workers and non-workers is 11.5; average expenditure per visitor is \$15.

Multiplying this by the number of visitors yields a gross sales volume of \$1 million per weekday and \$900,000 on Saturdays, compared to an estimated \$157,000 per day for the Faneuil Hall Marketplace.

In conclusion, Downtown Crossing is a going concern which we certainly hope to assist in going further through:

- 1) Developing a plan for extending the project boundaries in a Phase III effort.
- 2) Working with the merchants to establish a more formal merchant association.
- 3) Responding to concerns of independent local merchants.
- 4) Publishing a market profile of downtown workers and shoppers to attract new businesses and help existing ones.
- 5) Providing a shuttle bus to link Boston's three downtown shopping areas.

Finally, and most important, we will continue to "speak the merchants' language" in dealing with downtown. As one merchant said: "If it's good for Boston, it's good for us." We respond to the merchants: "If it's good for you, it's good for Boston."

Table 1

BUSINESS TURNOVER IN DOWNTOWN CROSSING 9-78 - 12-79

Opened Businesses (new or moved)

Restaurant	11
Stationery/Cards	2
Photo Store	2
Travel Agent	2
Shoe Store	2
Beauty Salon/Cosmetics	2
Prints/Gallery	2
Movie	1
Drug Store	1
Fabric Store	1
Construction Company	1
Jeweler	1
Gifts	1
Copy Service	1
Sporting Goods	1
Bakery	1

Closed Businesses

Restaurant	10
Gifts (The Corner)	10
Clothing	3
Shoes	2
Wigs	2
Antiques	1
Discount Store	1
Department Store	1
Travel	1
Gallery	1
Cigars	1
Fabrics	1
Cards	1
Appliance Service	1
Jewelry	1
Copy Service	1

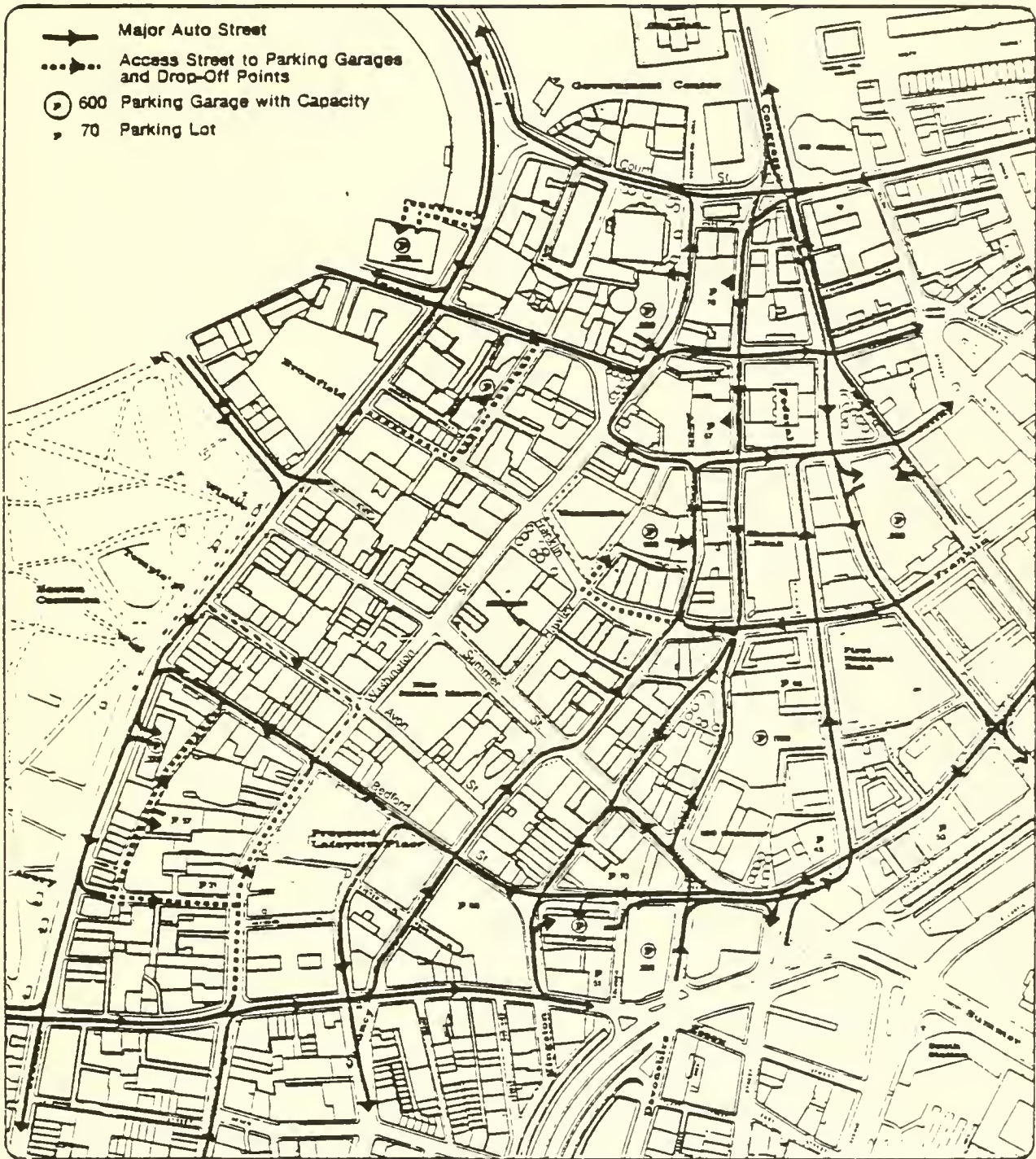
Source: Boston Redevelopment Authority

Table 2
FANEUIL HALL MARKETPLACE VS. BOYLSTON AND NEWBURY
STREETS VS. DOWNTOWN CROSSING SHOPPERS

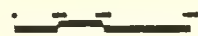
(PERCENTAGES ARE TAKEN AS A PERCENT OF
TOTAL RESPONDENTS UNLESS OTHERWISE NOTED)

	<u>FANEUIL HALL MARKETPLACE SHOPPERS</u>	<u>DOWNTOWN CROSSING</u>	<u>BOYLSTON AND NEWBURY STREET SHOPPERS</u>
Sex	58.7% Female	46.6% Female	63.8% Female
Age (Median)	34 Years	25-34 Years	31 Years
Household Income (Median)	\$19,480	\$15-25,000	\$19,525
<u>Place of Residence</u>			
City of Boston	23.9%	40%	43.2%
Remainder of Boston Metro. Area	38.9%	54%	34.8%
Remainder of Northeast	26.8%	6%	11.7%
Beyond Northeast	10.4%	NA	10.3%
<u>Mode of Transportation</u>			
Private Auto	50.9%	6.5%	31.2%
Walking	20.2%	55.2%	43.8%
Subway/MBTA Bus	20.3%	37.4%	20.4%
Taxi/Tour Bus	7.7%	.8%	1.2%
Time Spent Shopping (Median)	90 Minutes	1-2 Hours	100 Minutes
<u>Point of Origin</u>	(Non-tourists)		
Home	58.8%	41.5%	50.6%
Work	27.7%	42.3%	25.0%
Other Shopping	7.5%	8.2%	6.0%
Hotel/Sightsee	0.7%/94.7%	2.4%	8.1%
Travel Time (Median)	20 Minutes	NA	12 Minutes
Shopping Expenditure (Mean)	\$14.45	NA	\$38.57

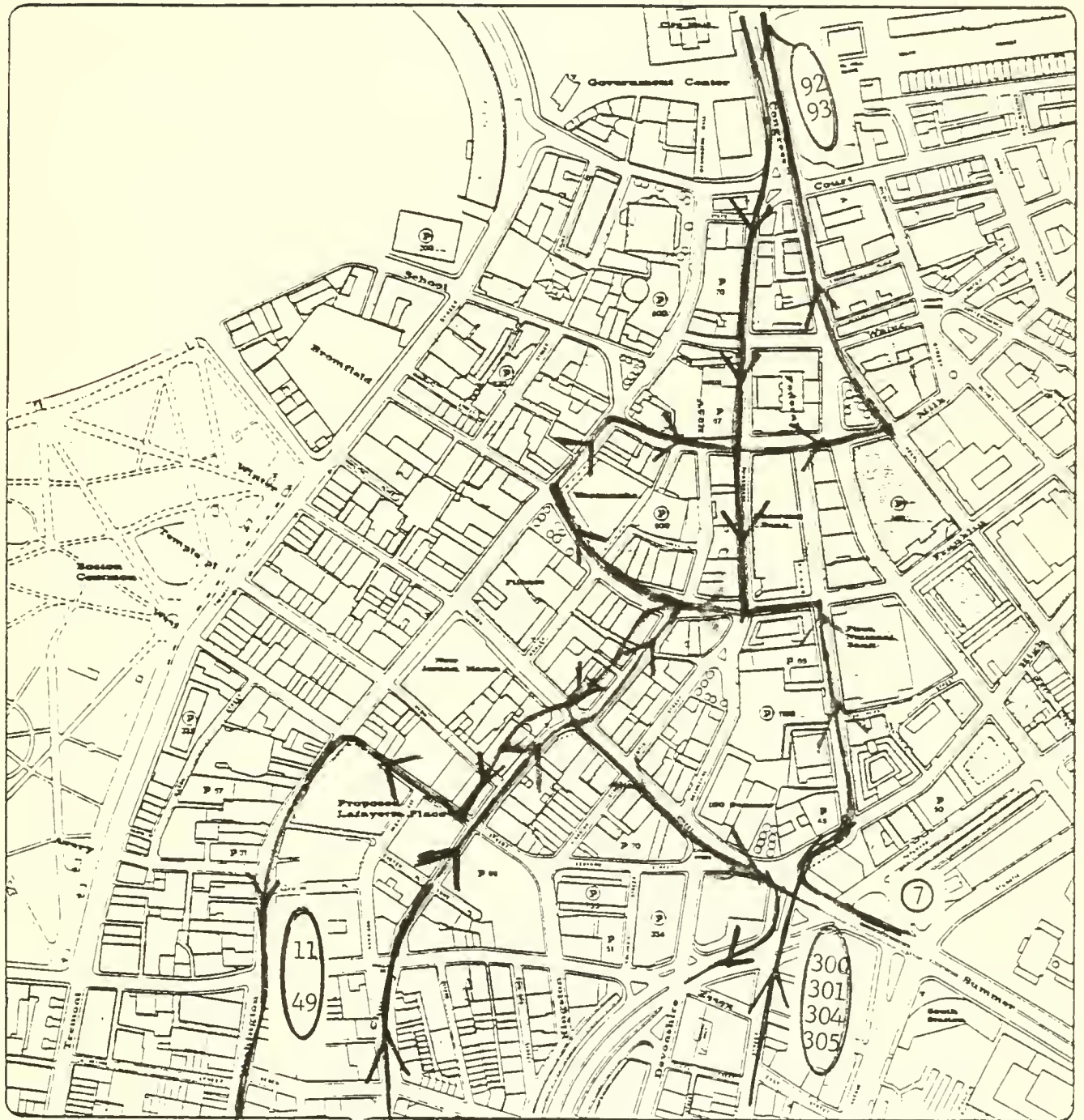
Sources: The Rouse Company, Boston Redevelopment Authority



DOWNTOWN CROSSING



Auto Circulation



DOWNTOWN CROSSING

BUS ROUTES



11/79

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4. Ryans, Donnelly, Ivanevich: New Dimensions in Retailing: A Decision-Oriented Approach, Wadsworth Publishing Company, California, 1970.
5. University of Georgia: Thoughts on the Revival of Downtown, USA, Athens, Georgia, 1975.
6. Personal interviews with downtown merchants conducted Summer, 1979.

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